

# COMMERCE AND TRADE

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# HB 29: Commerce and Trade

- The caboose bill amendments include reductions of \$7.7 million in incentive grants
  - Elimination of a \$4.5 million biofuels incentive grant for a company that has closed (reflected in DMME)
  - Elimination of a supplemental training grant of \$3.0 million to Rolls Royce as the company has not yet met the jobs target
  - A reduction of \$200,000 to VIP grant payments due to schedule revisions
- Increase of \$2.6 million GF for the Fort Monroe Authority due to loss of federal funding and lower than anticipated revenue
  - FY 2012 appropriation would total \$4.5 million
- Proposed increase of \$250,000 GF to promote and support the OpSail 2012 event as part of the 1812 bicentennial, bringing total to \$1.25 million

# Summary: Commerce and Trade Funding

Net Increase of \$24.0 million above Ch. 890

<b>Proposed Adjustments as Introduced</b> (\$ in millions)				
	<b>FY 2013 Proposed</b>		<b>FY 2014 Proposed</b>	
	<b><u>GF</u></b>	<b><u>NGF</u></b>	<b><u>GF</u></b>	<b><u>NGF</u></b>
2012-14 Base Budget, Ch. 890	\$173.4	\$963.4	\$173.4	\$963.4
Proposed increases	60.3	6.8	43.0	2.4
Proposed decreases	(38.6)	(135.7)	(40.8)	(236.9)
<b>\$ Net Change</b>	<b>21.7</b>	<b>(128.8)</b>	<b>2.3</b>	<b>(234.6)</b>
HB/SB 30, as Introduced	\$195.1	\$834.6	\$175.7	\$728.8
% Change	12.5%	(14.7%)	1.3%	(24.4%)
 FTEs	 374.83	 1,284.17	 374.83	 1,284.17
# Change	2.00	0.00	2.00	0.00

# Economic Development Incentive Payments

## Total \$134.4 million GF

<b>Economic Development Incentives - \$ in millions</b>	<b>FY 2013</b>	<b>FY 2014</b>
Governor's Opportunity Fund	<b>\$11.8</b>	<b>\$11.8</b>
Commonwealth Research Commercialization Fund	<b>10.0</b>	<b>10.0</b>
Aerospace Facility Incentive Grants	<b>9.3</b>	<b>10.4</b>
Advanced Shipbuilding Training Facility Grant	<b>5.0</b>	<b>5.0</b>
Virginia Investment Partnership (VIP) grants	<b>3.2</b>	<b>5.3</b>
BRAC/Oceana	<b>7.5</b>	<b>0.0</b>
Motion Picture Opportunity Fund	<b>3.5</b>	<b>3.5</b>
Semiconductor Manufacturing Grants (Micron)	<b>5.4</b>	<b>5.4</b>
Major Eligible Employers Grants (VIP Subfund)	<b>5.0</b>	<b>5.0</b>
VA Economic Development Incentive Grant (VEDIG)	<b>0.8</b>	<b>1.3</b>
SRI International (final payment)	<b>1.0</b>	<b>0.0</b>

# Economic Development Incentives Payments

- Also included in this item total are two new initiatives:
  - Life Sciences Initiative
    - Proposes \$5.0 million each year to provide funding for a research consortium comprised of UVA, VCU, VT, GMU and EVMS to contract with private entities, foundations and other government sources for biosciences research
  - Advanced Manufacturing Initiative
    - Proposes \$2.0 million GF in the first year for localities to use for site development for prospective Major Employment and Investment Projects
    - In the second year, \$2.0 million to provide a single point of access for manufacturing industry workforce training needs through the Commonwealth Center for Advanced Manufacturing (CCAM)

# HB 30: Commerce and Trade Agencies

- Virginia Economic Development Partnership
  - Proposes new spending of \$1.0 million each year to expand Virginia's marketing activities in countries in which we have in-country representation -- Europe, Japan, India and China
  - Recommends \$628,634 GF each year for the Brownfields Restoration Fund, continuing funding provided for this in FY 2012
    - \$1.0 million was provided in Chapter 890 for FY 2012, reduced in HB 29
  - Proposes \$500,000 in the first year to expand a pilot program for region-specific economic development strategies
  - Language in Central Appropriations eliminates VNDIA – pursuant to the recommendations of the Governor's Reform Commission - producing savings of \$342,851 in the first year and \$395,251 in the second year
  - Other reductions limited to agency savings of discretionary expenditures totaling \$218,848 each year

# HB 30: Commerce and Trade Agencies

- Virginia Tourism Authority
  - Increase advertising and marketing funds by \$1.0 million GF each year
  - Eliminates language requiring specific set-asides for the “See Virginia First” cooperative advertising program, and combines funding for it with the Outdoor Advertising, See VA Wineries and See VA Parks programs. Specific amounts for each purpose unspecified
  - Increases the competitive regional marketing matching grants by \$575,000 each year, increasing the program size to \$2.0 million annually
  - Phase out set-asides for the Daniel Boone Visitors Center and the Coalfield Regional Tourism Authority by 50% in the first year and 100% in the second year
    - Provides \$22,500 for Coalfields and \$50,000 for Daniel Boone in FY 2013
  - Proposes \$500,000 the first year for the City of Portsmouth to support the Virginia Sports Hall of Fame

# HB 30: Commerce and Trade Agencies

- Department of Housing and Community Development
  - Provides \$6.2 million in FY 2013 for operating expenses of the Fort Monroe Authority
    - Property officially conveyed to the Commonwealth on September 30, 2011
    - Funding is included in the Capital section of the budget to provide \$2.0 million of maintenance reserve funding each year for improvements at the FMA
    - No operating funding is included in FY 2014
  - Provides \$1.0 million GF to support the creation of permanent supportive housing and \$500,000 for rapid re-housing to support homeless prevention programs in the first year
    - Recommendations of the Governor's Housing Commission
    - No funding is provided in FY 2014
  - Proposes \$250,000 GF in the first year for the Heartwood Artisan Center in southwest Virginia
  - Proposes a reduction of \$1.5 million each year in the Enterprise Zone grant program
    - Leaves \$14.2 million each year for the program
  - Proposes to phase out funding for the Research and Development Grant Program which supports the nuclear energy research program in the Lynchburg area by reducing funding by \$137,500 (50%) in FY 2013 and \$275,000 (100%) in FY 2014



# HB 30: Commerce and Trade Agencies

- Virginia Employment Commission
  - Provides \$4.1 million GF and \$4.1 million NGF in the first year for the interest payment owed on loans from federal government for unemployment insurance benefits
  - The nongeneral fund amount is from a proposed administrative surcharge on the employer tax equal to \$1.36 for each employee for calendar year 2013
- Department of Mines, Minerals and Energy
  - Provides \$500,000 the first year for Offshore Wind Research and Development - maintains funding levels from FY 2012
  - Provides \$300,000 GF each year to offset a decline in NGF fee revenues supporting the Gas and Oil Worker Safety programs
- Department of Labor and Industry
  - Produces savings of \$220,206 GF in the first year and \$308,206 in the second year by eliminating 6 positions and the wage section of the Labor and Employment Law Division

# AGRICULTURE AND FORESTRY

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# Summary: Agriculture & Forestry Funding

Net increase of \$3.2 million

<b>Proposed Adjustments as Introduced</b> (\$ in millions)				
	<b>FY 2013 Proposed</b>		<b>FY 2014 Proposed</b>	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2012-14 Base Budget, Ch. 890	\$43.4	\$42.8	\$43.4	\$42.8
Proposed increases	2.6	1.6	2.8	1.8
Proposed decreases	<u>(1.0)</u>	<u>(1.8)</u>	<u>(1.3)</u>	<u>(1.8)</u>
<b>\$ Net Change</b>	<b>1.6</b>	<b>(0.2)</b>	<b>1.6</b>	<b>0.0</b>
HB/SB 30, as Introduced	\$45.0	\$42.6	\$45.0	\$42.8
% Change	3.6%	(0.5%)	3.6%	(0.1%)
FTEs	486.39	312.61	483.39	312.61
# Change	(6.09)	8.09	(9.09)	8.09

# HB 30: Department of Agriculture and Consumer Services

- Includes \$1.0 million GF each year to capitalize the Governor's Agriculture and Forestry Industries Development Fund to support localities in attracting and expanding agricultural and forestry facilities
  - Legislation will be proposed to establish the Fund
  - Modeled on the Governor's Opportunity Fund but geared to the unique needs of these industries
- Provides an additional \$260,226 the first year and \$410,226 the second year to expand international marketing of Virginia's agricultural products in Eastern Europe, North Africa and Central America/Caribbean
- Proposes language authorizing the establishment of a per device fee for the annual inspection of weights and measures of up to \$8.00
  - Generates \$1.0 million NGF each year and would support 6 FTE positions
  - Funds are not used to supplant GF support for the program but expand it to allow for more frequent inspections
- Proposes language increasing the food inspection fee for non-restaurant establishments from \$40 to \$60 per year
  - Generates \$223,420 NGF each year which supplants GF support for the program in the same amount

# HB 30: Department of Forestry

- Proposes to sell 6 DOF-owned buildings
  - The proceeds of the sale of 3 buildings (estimated at \$425,181) would be transferred to the GF
  - The proceeds of the sale of the other 3 buildings (estimated at \$498,500) would be retained by the Department and be used to purchase mobile technology equipment to support the employees now working in field
- Proposes a reduction of \$170,347 GF and 2 FTE positions the first year and \$314,056 and 5 FTE positions the second year by eliminating buildings and grounds and administrative positions
- Provides \$250,000 the first year to purchase additional fire protection equipment through the MELP program
  - This funding will be required in year 2 as well
- Includes \$120,000 each year to upgrade the agency's accounts receivable system
  - First year amount is portion of industry contributions to reforestation of timberlands, second year is GF